

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7077

Joint Petition of all Vermont affiliates of Adelphia)
Communications Corporation ("Adelphia") and Time)
Warner Cable Inc. for (1) consent to sell substantially all of)
Adelphia's Vermont assets to Cable Holdco Exchange III)
LLC, (2) approval of such affiliates' abandonment of)
cable-television service in Vermont; and (3) revocation of)
the Docket No. 7077 affiliates' Certificates of Public Good;)
AND Joint Petition of Time Warner Cable Inc. and Cable)
Holdco Exchange III LLC, for a Certificate of Public Good)
for Cable Holdco to own and operate said cable television)
systems; **AND Joint Petition** of Time Warner Cable Inc.)
and Comcast of Georgia, Inc., for authority to acquire)
control of Cable Holdco Exchange III LLC)

Entered: 12/29/2005

CERTIFICATE OF PUBLIC GOOD ISSUED TO CABLE HOLDCO EXCHANGE III LLC
PURSUANT TO 30 V.S.A. §§ 503 AND 504

IT IS HEREBY CERTIFIED that the Public Service Board ("Board") of the State of Vermont on this date finds and adjudges¹ that the issuance of a Certificate of Public Good ("Certificate") to Cable Holdco Exchange III LLC ("Holdco" or "Company"), to serve² the Cities, Towns, and Gores of Addison, Andover, Arlington, Athens, Avery's Gore, Baltimore, Barnard, Barton, Belvidere, Bennington, Benson, Berlin, Bethel, Braintree, Brandon, Brattleboro, Bridgewater, Bridport, Brighton, Bristol, Brookfield, Brookline, Brownington, Burlington, Cabot, Calais, Cambridge, Castleton, Cavendish, Charleston, Charlotte, Chester, Chittenden, Clarendon, Colchester, Cornwall, Coventry, Craftsbury, Danby, Derby, Dorset, Dummerston, Duxbury, East Montpelier, Eden, Elmore, Essex, Fair Haven, Fairfax, Fairfield, Ferdinand, Ferrisburgh, Georgia, Glastenbury, Glover, Goshen, Grafton, Greensboro, Guilford, Halifax, Hancock,

1. This Certificate accompanies an extensive Order, which provides the details for several provisions contained herein.

2. Holdco should be aware that, under long-standing Board practice, a certificate for a city, town, or gore is a franchise to serve customers throughout that municipality, subject to the company's line extension tariff and the provisions of the certificate. Any limits that may seem to apply as a result of the Community Unit Identifiers designated by the Federal Communications Commission (*see* Attachment 1 to exh. Joint 1) are artifacts of the FCC's number system, not limitations on this Certificate.

Hardwick, Hartford, Hartland, Highgate, Hinesburg, Holland, Hubbardton, Huntington, Hyde Park, Ira, Irasburg, Jamaica, Jay, Jericho, Johnson, Killington, Landgrove, Leicester, Lewis, Lincoln, Londonderry, Lowell, Ludlow, Manchester, Marlboro, Marshfield, Mendon, Middlebury, Middlesex, Middletown Springs, Milton, Monkton, Montpelier, Moretown, Morgan, Morristown, Mt. Holly, Mt. Tabor, New Haven, Newark, Newport City, Newport Town, Norwich, Pawlet, Peru, Pittsfield, Pittsford, Plainfield, Plymouth, Pomfret, Poultney, Pownal, Proctor, Randolph, Reading, Richmond, Ripton, Rochester, Rockingham, Roxbury, Rupert, Rutland City, Rutland Town, Salisbury, Sandgate, Searsburg, Shaftsbury, Sharon, Sheffield, Shelburne, Sheldon, Shrewsbury, South Burlington, Springfield, St. Albans City, St. Albans Town, St. George, Stamford, Stannard, Starksboro, Stockbridge, Stowe, Strafford, Stratton, Sudbury, Sunderland, Sutton, Swanton, Thetford, Tinmouth, Troy, Underhill, Vergennes, Vernon, Walden, Wallingford, Waltham, Wardsboro, Warner's Grant, Warren's Gore, Waterbury, Waterville, Weathersfield, Wells, West Haven, West Rutland, West Windsor, Westfield, Westford, Westminster, Westmore, Weston, Weybridge, Wheelock, Whiting, Williston, Windham, Windsor, Winhall, Winooski, Wolcott, Woodbury, Woodford, Woodstock, and Worcester, and the operation of cable systems in said Cities and Towns, will promote the general good of the State of Vermont subject to compliance with the following conditions.

General Terms

1. For the duration of this Certificate, Holdco shall employ a Regulatory Affairs Manager separate from the Regional Manager position whose responsibility shall include oversight of Holdco's compliance with Vermont statutes, rules, orders and other regulations governing cable operators.
2. If Holdco enters or has entered into an agreement to lease, sell, or otherwise provide or share facilities or services in Vermont to, or with, any of its affiliates, the agreement shall be reduced to writing, including the date, and shall be made available to the Department of Public Service ("Department") and the Board upon request.
3. Holdco shall file tariffs and all individual customer agreements for its cable services with the Board to the extent required by Vermont law.

4. For the purpose of calculating the gross revenue tax under 30 V.S.A. § 22, Holdco shall use the following definition of gross revenues: all cash, credit, property of any kind or nature, or other consideration received directly or indirectly by Holdco derived from the operation of its cable systems in Vermont including, but not limited to, monthly fees charged to subscribers for basic service; monthly fees charged to subscribers for any optional service; pay television fees; pay-per-view fees, premium-service fees, monthly fees charged to subscribers for any tier of service other than basic service; installation, disconnection and reconnection fees; late fees charged to subscribers; leased-channel fees; fees, payments or other consideration received from programmers; fees, payments or other consideration received from third parties for lease of space on either fiber or coaxial cable; converter rentals or sales; studio rental, production equipment and personnel fees; advertising revenues; and revenues from home shopping networks and revenues from Internet access service until such time that a gross revenue tax is paid on such revenues as telecommunications services.

5. For purposes of calculating funding for Public, Educational, and Governmental ("PEG") access in the absence of an agreement otherwise, Holdco shall use the definition of gross revenues in the preceding paragraph except that Internet-access service revenues shall be excluded from the calculation unless and until Congress, the Federal Communications Commission, or a court of competent jurisdiction or governmental agency of competent jurisdiction issues a final ruling or order, not subject to appeal, that such revenues shall be included in such a calculation of gross cable-service revenues.

6. Holdco shall not itemize on subscriber bills the Vermont gross revenue tax, imposed on Holdco pursuant to 30 V.S.A. § 22, unless Vermont law allows such itemization.

7. Holdco shall fund a statewide cable advisory board which shall be self governing and independent of Holdco to provide public input on community needs and to serve as a vehicle for two-way communication with the Company. At least annually, Holdco shall request to meet with the statewide advisory board.

8. On at least a bi-annual basis, Holdco's senior Vermont management shall invite city and town government officials in each of the former Adelpia cable systems to meet for the purpose of exchanging information about community needs and the Company's plans. These meetings

shall be conducted on a system-wide basis and the PEG Access Management Organization ("AMO") or AMOs serving that system shall also be invited to these meetings. For smaller systems, such meetings may be held under the auspices of a regional planning commission or other appropriate regional entity. The Company shall submit summaries of these meetings, including the recommendations made by participants and the Company's response, to participants, the Board and the Department.

9. Holdco shall at all times provide a reasonable quality of service, having regard to Federal Communications Commission minimum service standards, available technology, subscriber interest and costs. Holdco shall at all times offer a reasonably broad range of programming, having regard to available technology, subscriber interest, the revenues and potential revenues of the systems, and costs. The Board shall, to the extent permitted by law, retain jurisdiction to prescribe broad categories of programming.

10. Prices for services not subject to rate regulation shall at all times be reasonable, having regard to the costs of providing such services.

11. If Holdco does business in the State of Vermont under any other name other than the name in use on the date of the Order in this Docket, it shall file a notice of the new tradename, along with a copy of its Vermont Secretary of State's Tradename Certificate, with the Clerk of the Public Service Board and the Department thirty (30) days prior to doing so.³ At the time of filing its Annual Report pursuant to 30 V.S.A. § 22, Holdco shall also file with the Board the following:

- (1) a copy of Holdco's PEG Access Report under PSB Rule 8.419 (formerly referred to as a PEG Access Plan) and a description of its access facilities and services and the use thereof during the preceding calendar year or annual period;
- (2) subject to Paragraph 42 of this Certificate, a report of all written consumer complaints and notations regarding oral and telephone complaints received during the preceding calendar year or annual period;
- (3) a map sufficiently outlining the service territory and describing its existing plant and any extensions and replacements planned for

3. For a corporate name change, *see* 11 V.S.A. § 4.01 and 30 V.S.A. § 231. Petitioner may wish to contact the Clerk of the Board for assistance.

commencement or completion within one calendar year from the close of the preceding calendar year or annual period, and a separate map identifying the fiber runs and node locations supporting the current service areas, which shall be maintained as confidential and proprietary;

(4) a listing of services, the rates charged for each service as of the date of the filing of the report, a statement of any changes in any such rates from the preceding calendar year or period and a statement of the revenue derived from each service during such calendar year or annual period;

(5) a statement of significant changes to be implemented during the current calendar year or annual period in Holdco's business structure, operating procedures and services to be offered;

(6) a balance sheet, an income statement, a statement of changes in financial condition and a statement of assets used and useful for the provision of service in Vermont, all as of the close of the preceding calendar year or annual period;

(7) a current copy of the complete corporate System of Accounts applied to operations in Vermont, if different from that previously filed;

(8) house-count surveys of all unserved areas of the franchised territory, both at the ends-of-lines and unserved interior areas, and a construction budget providing for construction of all areas identified as meeting Holdco's tariffed criteria for line extensions without a contribution-in-aid-of-construction; and

(9) the annual calculation of the Minimum Qualifying Density ("H") for the purpose of Holdco's line-extension policy in accordance with the formula set forth in the Order in Docket 6101.

12. Holdco shall at all times comply with Vermont law and all applicable regulations, as they may be amended from time to time.

13. Holdco shall comply with all regulations of the Federal Communications Commission, including the regulations governing commercial leased access. Compliance with the commercial leased-access rules requires Holdco to provide non-discriminatory access to its facilities to all video programmers qualified by the leased-access regulations to such access.

14. This Certificate shall expire eleven years from the date of this Certificate.

15. This Certificate shall be subject to revocation upon good cause, including a substantial or continuous failure to abide by its material terms.

16. This Certificate may not be transferred without the consent of the Public Service Board.

PEG Access

17. Holdco shall designate one or more AMOs as provided in Rule 8.400. Holdco shall provide levels and types of financial, operational, and technical support to those AMOs that are fair and reasonable. This condition shall not preclude Holdco from designating the same or additional AMOs than has a competitive operator in any area, nor preclude Holdco from offering different or additional public access content to its cable subscribers.

18. Holdco shall file with the Board and Department copies of all PEG-access contracts with AMOs, and any amendments thereto, within 30 days of execution.

19. Holdco must work with the relevant AMO prior to any PEG-access-channel reassignment and shall pay the access entity's reasonable costs of such reassignment. Holdco shall not reassign a PEG access channel without advance warning and consultation with the AMO.

20. Holdco must provide a statewide PEG access channel, and this commitment may be met through the provision of interconnection bandwidth rather than as a viewable channel. At a minimum, this Network shall enable digital file sharing between AMOs and the ability for AMOs to distribute programs to Holdco subscribers in its Vermont territories. Details of this provision should be determined through negotiation or a later proceeding. Negotiations should be open to all PEG AMOs wishing to take part. Holdco shall provide the statewide network once the details for operation of the network have been decided. Holdco shall offer to interconnect, directly or indirectly, with the Vermont cable systems operated pursuant to Certificates of Public Good to exchange PEG-access programming among the companies' systems. Said interconnection shall be subject to the parties reaching acceptable commercial terms concerning ownership and apportioning the cost of any facilities necessary to interconnect Holdco's and other cable companies' networks. If the cable operators cannot reach an interconnection agreement within 120 days, Holdco shall submit all unresolved issues to the Board for resolution.

21. If the Board has designated an entity to act as a statewide PEG AMO, Holdco shall upon request of the AMO provide as minimum support for the statewide PEG network the capability of transmitting signals from the statewide network to any PEG forward channel and transmitting to the statewide network signals originating on any PEG reverse channel on the cable system.

Such a request by the AMO for statewide PEG-network capability is to be made at least one year prior to activation of the statewide channel on a Holdco system. Additionally, Holdco is not obligated to pay for statewide PEG-programming content in addition to its PEG-access obligations.

22. Holdco shall provide fiber-optic or coaxial-cable drops, capable of two-way service and remote origination service, upon request, to every school, library, and PEG-access studio, and to at least one municipal building in every municipality in which it is obligated to provide cable service, upon request of the school, library, PEG entity or municipality. Holdco may provide the two-way service through a drop that is separate from any drop used to provide cable-television service or high-speed Internet access service to that entity. Holdco shall provide and activate each requested drop within 6 months of receiving a request from the respective school, library, AMO, or municipality, provided, however, that Holdco is able to obtain all necessary approvals and permits pursuant to Rule 3.700. This condition does not require Holdco to provide drops to buildings that are neither passed by nor located within 500 feet of cable plant unless an entity is willing to reimburse Holdco for the incremental cost of the non-standard installation. Holdco shall provide basic cable service at each coaxial drop and shall provide standard installation at no charge. Upon request, Holdco shall provide an entity described in this paragraph with a non-standard installation, provided the entity pays the difference in cost between the standard and non-standard installation.

23. At a minimum, Holdco must provide the following PEG access outreach:

- (1) fund semi-annual, quarter-page advertising in local newspapers promoting PEG access programming and functions and assist AMOs in placing their channel programming in a local newspaper's television listing grid where such a listing is feasible;
- (2) provide on-screen advertising and promotion of the PEG access channel programming and facilities; provide at least 1 gigabyte GB of space on the Company's [cable-modem-service] server for each PEG access channel for purposes including, but not limited to, posting program listings, information about scheduling the use of the studio production facilities, post-production editing facilities, training, and scheduling time slots for airing programs on the public access channels; and links to local PEG access web sites related to programs on the channel; and

- (3) allow PEG access groups to access Holdco's electronic programming guide and pay the fee so that the groups can have their schedules listed on that channel.

Holdco shall respond to reasonable requests by AMOs to communicate with Holdco's subscribers. Any direct costs incurred by the Company due to such communications that are over and above those normally incurred by the Company shall be borne by the requesting AMO.

24. Holdco and each AMO shall reevaluate the digital equipment needs or other PEG access related cable system improvements at least twice during the term of this Certificate. Holdco shall provide additional capital funding for each such re-evaluation or upgrade based upon the criteria of Rule 8.405. If an agreement cannot be reached, the Board will exercise its authority under 30 V.S.A. § 509(a) or Rule 8.405(e) and open an investigation to consider the necessity and amount of the interim upgrade payments.

25. Holdco shall provide AMOs the ability to originate as many simultaneous live PEG programs on any part of its system as there are forward PEG channels on that part of the system. Holdco shall not be obligated to originate any quantity of simultaneous, system-wide broadcasts that exceeds the number of forward PEG channels activated in that part of the system with the smallest quantity of activated forward PEG channels.

26. Holdco shall create and maintain a plan for reasonable public access in accordance with Rule 8.401 and Rule 8.419. The Company shall keep a current PEG Access Report on file with the Board.

27. Board Rule 8.400 shall apply to Holdco, to any AMO with which Holdco may designate and contract, and to any organizations that seek Holdco's designation as an AMO. Holdco shall comply with Rule 8.400 as may be amended from time to time. Total operating funding within each system served by one or more AMOs shall not exceed 5% of the Company's annual gross revenues earned in that system. Unpaid balances owed by the Company shall earn interest at the legal rate (see 9 V.S.A. § 41a), commencing the day after the due date. Unless otherwise negotiated, Holdco will further assume Adelphia's existing PEG access agreements. Holdco shall file with the Board and Department copies of all PEG-access contracts with AMOs, and any amendments thereto, within 30 days of execution.

28. Holdco shall maintain PEG Policies and Procedures that ensure adequate and prompt resolution of technical and administrative matters that arise between Holdco and the AMO. Until and unless revised by Holdco in collaboration with its designated AMOs, Holdco will adopt Adelphia's PEG Policies and Procedures which include:

- (1) identification of the types of matters that have arisen in the past between the AMOs and Adelphia and which are likely to arise in the future, and the urgency demanded by the respective matters;
- (2) designation of an appropriate system-level or state-level Company liaison for each type of matter, on a system-by-system basis when necessary;
- (3) delineation of the responsibilities and authority of the designated Company liaison, including how that individual will be trained to handle the individual's role and time frames for response;
- (4) a mechanism for escalation of matters which have not been satisfactorily resolved by the liaison; and
- (5) a periodic review process for the AMOs and Holdco to jointly review the effectiveness of the procedures at least semi-annually.

29. At least annually, a Holdco representative shall meet with each AMO's governing board. The Holdco representative must have sufficient authority to be able to make binding promises on behalf of the Company.

30. At least annually, Holdco shall request to meet with the statewide advisory board constituted under Paragraph 7. Holdco shall, on an annual basis, inform every municipality, school, library and AMO in every system subject to this Certificate of the opportunity to have two-way capable drops placed at the locations described in Paragraph 20 and offer to meet to:

- (1) determine each entity's need for two-way capable drops;
- (2) in the case of municipalities, discuss the location(s) of such drop feed points within each municipality; and
- (3) negotiate the specific arrangements necessary for installation and maintenance of such drops.

If requested by the qualifying entity, at least one two-way capable drop shall be installed at that entity's premises as soon as practicable, but not more than 6 months after receiving a request from the respective school, library, AMO or municipality, provided, however, that Holdco is able to obtain all necessary approvals and permits pursuant to Rule 3.700. Holdco's obligation to install a two-way capable drop in response to a request from an eligible entity shall be ongoing. Holdco shall submit with its Annual Report to the Board and the Department a status report of the installation

of two-way capable drops, including the status of negotiations with the municipalities, schools, libraries and AMOs with respect to such installation.

31. Upon request of an AMO, Holdco shall provide the AMO an in-house ability to control upstream signals from each remote origination site within the AMO's service territory.

32. Holdco shall provide 1 GigaByte of internet storage space to each designated AMO.

Line Extensions

33. Line extensions shall be built without customer contribution in accordance with Holdco's annual calculation of the Qualifying Density ("H"), which determines the average density of equivalent year-round residential and business units passed per mile, starting at the nearest end of the existing trunk or distribution system, for the next calendar year.

34. For the purposes of determining whether a line extension should be built without a customer contribution:

- (1) Holdco shall count a dwelling as a year-round residential unit if the subscriber is paying for year-round service, regardless of the period of actual occupancy;
- (2) Holdco shall count a subscriber as verified if the subscriber has entered into a two-year contract for year-round service;
- (3) Holdco shall count seasonal dwellings as one-third of a year-round residential unit unless there is credible evidence that a higher or lower percentage should be used;
- (4) Holdco shall count seasonal subscribers that enter into two-year contracts on a pro-rata basis;
- (5) when counting residential units for the purpose of implementing its line-extension policy, Holdco shall count all dwellings within 500 feet of the proposed extension (customers may be charged for the costs of providing a service connection that exceeds the cost of a standard 300-foot drop);
- (6) when counting businesses for the purpose of implementing its line-extension policy, Holdco shall count each business if any part of the structure or structures that comprise the business is within 500 feet of the proposed extension (customers may be charged for the costs of providing a service connection that exceeds the cost of a standard 300-foot drop);
- (7) when counting business units for the purpose of implementing its line-extension policy, Holdco shall count each establishment as one-ninth in

order to account for what would typically be expected to purchase cable service as one year-round unit;

(8) Holdco shall count multiple-unit business establishments such as hospitals, homes for the elderly and nursing homes, as a subscriber per unit if the occupants of the units can subscribe as individuals; the pro-rata scheme described in the April 28, 2000, Order of the Board in Docket 6101 should be employed if the subscribers are seasonal;

(9) in multiple-unit business establishments such as hospitals, homes for the elderly, nursing homes, hotels, motels and other lodging establishments where the occupants of the units cannot subscribe as individuals but where there is cable service to a number of the units, Holdco shall count the units in a manner similar to seasonal residential dwellings, with the ratio of units to equivalent year-round dwellings equal to the ratio of the unit rate to the basic service rate, plus one year-round subscriber for the business as a whole;

(10) in counting residential units and businesses for the purpose of implementing its line-extension policy, Holdco shall not count that part of the house drop (the facilities located between the dwelling and Holdco's distribution facilities generally located in the road right-of-way) constructed with coaxial cable as part of the line extension;

(11) homes with satellite service/dishes should be counted as 1/3 unless modified by the Board in accordance with this Condition (the workpapers filed with the results of the annual house-count survey shall be made to make the effect of the discount for satellite dishes identifiable); and

(12) Holdco shall respond in writing within ten days to any information request from the Department or the Board concerning the status of line-extension plans or construction progress.

Holdco shall maintain and file annually a calculation of the cable service penetration rate for newly-built service areas where houses with satellite dishes have been counted as one-third of a house. Holdco or the Department may propose to adjust, and the Board, without amendment of this Certificate, may adjust or accept a proposal to adjust the equivalence factor applicable to homes with satellite dishes if the factor in the preceding Condition does not reflect Holdco's actual service penetration rate for recent line extensions.

35. Holdco shall perform and report annual unserved area house count surveys and shall prepare a schedule of street and road locations determined by the house count surveys to qualify for construction without contribution-in-aid-of-construction. The survey and schedule shall be filed as a component of, and concurrent with, Holdco's Annual Report to the Department.

36. Holdco shall provide quarterly reports to the Department on each line extension, providing the location of the extension, its length, the date the extension was determined as qualifying via a house count survey, the date pole applications for the extension were filed with the pole-owning utilities, the proposed and actual date for the engineering rideout, the date the make-ready report was received from the pole-owning utilities, the estimated and actual cost of the make-ready work, the estimated and actual date for completion of the make-ready work, the proposed and actual date construction of the extension commenced and the date the extension was completed.

37. All house count surveys to be filed with the Department shall be performed in accordance with the electronic house count procedures as set forth by Adelphia in collaboration with the Department in July and November 2004.

38. Holdco shall annually calculate Minimum Qualifying Density for the purpose of the Company's line-extension policy and shall report that calculation in its Annual Report to the Department. The calculation shall be performed using homes-passed, penetration, and revenue data from the Annual Report to the Department, as provided in the Docket 6101 Order. The calculation shall be performed using Holdco's average construction cost per mile for qualifying line extensions during the prior year as the assumed construction cost per mile. Holdco may use current data for all other parameters in the formula, including the carrying charge factor. To the extent possible, all elements of the formula should be based on the same time period. If audited financial statements are not available, Holdco shall use unaudited numbers. The recalculation of the Minimum Qualifying Density shall be subject to review by the Board.

39. Holdco must construct all line extensions ordered by the Board in Docket 6445 that remain to be constructed ("Remaining Docket 6445 Line Extensions") in accordance with the following conditions:

- (a) The Remaining Docket 6445 Line Extensions, which total approximately 1,262 miles, shall be those identified in the document titled "Adelphia 4th Quarter 2002 'Quarterly Report'" and attached tables, and shall not be subject to further revision or disqualification, including by refinement of strand maps, update of house counts, or revised construction cost estimates.
- (b) Holdco will construct and activate the Remaining Docket 6445 Line Extensions by the following dates:

Milestone Date	Milestone (Cumulative Miles Activated)	Penalty per mile short
By 12/31/06	700	\$27,000
By 12/31/07	1000	\$28,000
By 12/31/08	Total Remaining Docket 6445 Line Extensions	\$29,000

If the cumulative total miles to be constructed and activated by a specific Milestone are not met by the specified date, Holdco shall be subject to a penalty effective the January 1st immediately following the applicable Milestone Date and as specified in Paragraph 39 below. The penalty amount shall equal the product of the applicable "Penalty per mile short," as set forth above, and the Milestone for the applicable year less the number of Remaining Docket 6445 Line Extensions constructed and activated as of the applicable Milestone date.

(c) The Milestone and the penalty, if any, that is otherwise applicable at the end of a particular calendar year will be waived in the event, and only to the extent, that Holdco does not reach the Milestone by the Milestone Date due to events beyond its control such as Force Majeure events as described in this subparagraph. Holdco shall diligently perform its obligations under this Agreement, but conditions may arise that prevent or delay its performance because of causes beyond Holdco's reasonable control including, without limiting the generality of the foregoing, flood, earthquake, hurricane, ice storm, blizzard, fire, explosion, war, riot, civil disturbance, labor disturbance, strike, sabotage and restraint by court that, by exercise of due diligence and foresight, Holdco could not have been expected to avoid. If Holdco is rendered unable to fulfill any obligations by reason of such causes, it shall be excused from performing for the time and to the extent it is prevented or delayed from so doing, but shall exercise due diligence to correct such inability with all reasonable dispatch. Force Majeure events do not include circumstances such as incomplete make-ready work, unavailability of equipment or commercial impracticability; except they shall include incomplete make-ready work, when Holdco has followed the requirements of PSB Rule 3.700 and the owner(s) of the poles have failed to complete make-ready as required by that rule and by tariffs and Holdco has timely taken all steps available to it under Rule 3.700 to compel the pole owner(s) to complete make-ready.

(d) If Holdco experiences an event that it contends qualifies under this subparagraph and that it contends impacts its ability to meet its obligations for an upcoming Milestone Date, it shall within ten (10) business days of the event, or of the date on which Holdco knew or reasonably should have known of the event, notify the Department and Board in writing of the occurrence and nature of the event and its intent to invoke the protections of this

subparagraph. Failure to provide timely notice shall be deemed a waiver of any protections otherwise available under this paragraph for the event in question. Thereafter, Holdco shall file written reports with the Board and Department every thirty (30) days detailing the effects of the event, the extent of the event's impact on Holdco's ability meet its obligations for the approaching Milestone Date, why the event is having such an effect and an estimate of how long it will take Holdco to correct the inability to perform that resulted from the event. Once the effects of the event are overcome and any mileage shortfall corrected, Holdco shall within ten (10) business days so report in writing to the Board and the Department and additional reports relating to the claimed event will no longer be required.

(e) Holdco may, at any time subsequent to an initial notification that it is invoking Force Majeure under this subparagraph and prior to the next Milestone Date, petition the Board for a ruling on the appropriateness of the claim and extent of the Force Majeure waiver. In the event the claim of Force Majeure applies to more than one Milestone Date, Holdco may file a subsequent petition as necessary prior to each such affected Milestone Date. The Department shall work with Holdco to resolve questions arising under this subparagraph prior to the filing of any such petition by Holdco. If the Department and Holdco resolve all issues under a claim of waiver of Milestone under this paragraph, they shall jointly report to the Board, the report will be deemed a stipulated petition and the waiver of Milestone shall be deemed approved by the Board absent notice of investigation or hearing issued by the Board within thirty (30) days of the filing of any such report. In the event the Department and Holdco are unable to resolve questions arising under this subparagraph prior to the filing of any such petition by Holdco, then for those unresolved questions Holdco shall bear the burden of demonstrating the appropriateness of the requested Milestone waiver and extent of the Milestone waiver claimed. No claimed waiver of any Milestone shall be effective until approved by the Board. However, the due date for payment of any penalties based on mileage subject to the claimed waiver shall be tolled until Holdco's petition is resolved by the Board.

(f) Milestones for years 2006, 2007, and 2008 are not subject to waiver on the basis of either dollars expended to construct the Remaining Docket 6445 Line Extensions.

40. If Holdco fails to meet the Milestone as prescribed in Subparagraph 38(b) above, and as reported to the Board and the Department as prescribed in Subparagraph 41(c) below, the penalty as described in Subparagraph 38(b) above shall become due and payable to the State of Vermont and tendered to the Board no later than thirty (30) days following the applicable Milestone Date, subject only to Holdco's claim of waiver asserted by Holdco in compliance with the terms and

conditions of Subparagraph 38(c). Additional penalties may become due and payable in accordance with Paragraph 38 above following investigation and hearing as provided in Subparagraph 41(c).

41. Holdco shall build Additional Line Extensions, following completion of the Remaining Docket 6445 Line Extensions, as follows:

(a) The quantity of Additional Line Extensions shall be determined by the pace at which Holdco constructs the Remaining Docket 6445 Line Extensions. Holdco will incur an additional and cumulative obligation to construct Additional Line Extensions in each year that the Remaining Docket 6445 Line Extensions remain incomplete.⁴ The quantity (in strand miles) of Additional Line Extensions shall accrue according to the following schedule until all Remaining Docket 6445 Line Extensions are constructed and activated:

Date	Incremental Add'tl Line Extensions	Cumulative Add'tl Line Extensions
On or before 12/31/06	150 miles	150
1/1–12/31/07	75	225
1/1–12/31/08	75	300
1/1–12/31 of each subsequent year	100	Prev. Yr. Cum. Total + 100

(b) Holdco shall place all Additional Line Extensions, as determined above, in service by December 31, 2009. At its discretion, Holdco may commence construction of Additional Line Extensions sooner than calendar-year 2009. However, should Holdco commence construction of any Additional Line Extensions sooner than calendar-year 2009, whether or not any such line extension miles qualify as Cumulative Additional Line Extensions will not be determined until Holdco conducts its annual house count survey next following its completion of the Remaining Docket 6445 Line Extensions.

(c) Holdco will be deemed to have fulfilled its obligation to construct Additional Line Extensions when the cumulative length of constructed and activated Additional Line Extensions equals or exceeds the amount of Cumulative Additional Line Extensions determined in accordance with Subparagraph 40(a), above.

(d) Whether or not any line extension miles constructed qualify as Cumulative Additional Line Extensions will be determined as follows:

4. "Incomplete" means cable service is not available along the cable route.

Upon construction and activation of all Remaining Docket 6445 Line Extensions, Holdco shall take the total miles of all non-Remaining Docket 6445 Line Extensions constructed and activated since December 15, 2003, and shall subtract from that total:

- (i) All miles of line extensions constructed and activated with customer contributions-in-aid-of construction;
- (ii) All miles of line extensions constructed and activated that were identified and constructed as the result of Holdco's Qualifying Density requirements under this Certificate in any given year; and,
- (iii) All miles of line extensions constructed and activated that would have qualified for construction without customer contribution based on the Qualifying Density applicable for the annual house count survey next following Holdco's completion of the Remaining Docket 6445 Line Extensions.

Any miles of extensions constructed and activated that remain after the above calculation shall be credited against the amount of Cumulative Additional Line Extensions owed by Holdco. The balance of the Cumulative Additional Line Extensions owed by Holdco shall be constructed and activated as soon as possible thereafter but in no event later than December 31, 2009.

(e) Holdco may exercise its judgment in selecting the geographic areas into which it constructs Additional Line Extensions, but shall make reasonable efforts to construct Additional Line Extensions in unserved areas having a high density of homes-passed-per-mile at the time potential line extensions are surveyed.

(f) The duty to demonstrate that Holdco has fulfilled its obligation to construct Additional Line Extensions shall be upon Holdco. When Holdco seeks to demonstrate that it has fulfilled this obligation, it shall, concurrent with the filing of its annual house count survey next following its completion of the Remaining Docket 6445 Line Extensions, identify and categorize all non-Remaining Docket 6445 Line Extensions constructed and activated by it or Adelphia subsequent to December 15, 2003, consistent with the categories described in Subparagraph 38(d) above in a manner that allows verification that the obligation has been met.

(g) The Additional Line Extension miles shall be convertible, at the Board's discretion, into monetary penalties at a rate of \$30,000 per mile if Holdco fails to complete the Additional Line Extensions by December 31, 2009.

42. Holdco shall provide a bond or equivalent security, as provided below, to guarantee payment of any penalties that may become due pursuant to this Stipulation:

(a) Holdco shall provide a bond or equivalent form of security, payable to the Public Service Board, in the amount of \$5,000,000. Each year, effective on December 15, said bond or equivalent security shall be adjusted as provided below; however, in no event shall the amount of the bond or equivalent security posted ever be less than the amount calculated as the product of the cumulative Remaining Docket 6445 Line Extensions (including any miles due and unbuilt from prior calendar years) to be built in a particular calendar year times the penalty per mile short for that year as specified in Subparagraph 38(b):

Date	Bond or Equivalent Security Amount
12/15/05	\$8,100,000
12/15/06	\$8,400,000
12/15/07	\$8,700,000
12/15/08	\$9,000,000

Holdco shall provide to the Board a copy of the annual bond or equivalent security with a copy to the Department.

If in any year Holdco exceeds the cumulative miles due for that year's Milestone, Holdco shall be permitted to seek the Board's approval to reduce the bond or equivalent security posted for the following year to account for the impact of Holdco having exceeding its Milestone requirement.

(b) Holdco acknowledges that the aggregate amount of penalties to which it may be subject are not limited to the aggregate amount of the bonds or equivalent securities. The penalties shall be calculated in accordance with Paragraphs 38–40 above.

(c) By December 15th of each year, Holdco shall provide to the Board and Department a statement of the number of Remaining Docket 6445 Line Extensions that were constructed and activated as of that date. Any adjustments to the bond described in Subparagraph 41(a) above shall be based on the December 15th statement. In the event Holdco constructs and activates additional miles between December 15th and the following Milestone Date, Holdco may file a supplemental statement within ten (10) business days of the applicable Milestone Date. The accuracy of such statement(s) shall be supported by a sworn, signed, and notarized affidavit from a Holdco officer within the New England region or successor and, upon notice, may be subject to investigation and hearing by the Board. Notice of the intent to seek any such investigation shall be provided to Holdco within sixty (60) days of the filing of the affidavit with the Department and the Board.

(d) Holdco may, at any time subsequent to January 1, 2010, or such earlier time as Holdco fulfills the obligations of Paragraphs 38 and 40 herein,

petition the Board for discharge of the bond or equivalent security required by this paragraph. Upon notice and opportunity for hearing, the Board will authorize Holdco to dissolve the bond immediately if the requirements of Paragraphs 38–40 herein have been met.

(e) In the event that Holdco fails by twenty (20) or more miles to meet an annual cumulative Milestone in any year, then the Department in its discretion may require Holdco to provide to the Board a bond or equivalent security payable to the Board for the total amount of all bond or equivalent security amounts specified for all remaining years, as set forth in Subparagraph 41(a) above. Upon notice from the Department to Holdco of this requirement, Holdco shall provide the bond or equivalent security to the Board within thirty (30) days.

43. Holdco shall file quarterly reports with the Board and Department, beginning on March 31, 2006, or upon the completion of the first calendar quarter for which Holdco is authorized to provide service, and continuing until all Remaining Docket 6445 Line Extensions and Additional Line Extensions are constructed and activated, containing the following information:

- (1) Identification of the extensions to be constructed to meet that year's Milestone;
- (2) Anticipated completion date for the Milestone;
- (3) Current progress achieved towards the Milestone;
- (4) Status of make-ready work affecting the identified extensions;
- (5) Status of pole applications affecting the identified extensions;
- (6) Status of pole applications affecting the subsequent year's Milestone;
- (7) Status of make-ready work affecting the subsequent year's Milestone; and
- (8) Any line extensions intended to meet the Additional Line Extension requirements.

Holdco shall use the format of the quarterly reports previously used by Adelpia. The reports required by this paragraph are in addition to and do not alter Holdco's obligations to provide house count surveys and any other reports as required by the Board's Order in Docket 6445 or any other Board Order, Board Rule, this Certificate, or Vermont law.

Customer Service and Subscriber Notices

44. Holdco shall adhere to the customer service standards contained in 47 C.F.R. § 76.309.⁵ The Company must monitor its customer service performance in relation to all FCC and Board customer service standards on a monthly basis. Holdco will maintain a service quality plan, developed in collaboration with the Department of Public Service, to ensure effective monitoring and adherence to state and federal standards. Quarterly, the Company must submit these data to the Department and the Board. Where quarterly performance falls more than 10 percent below any standard, or where performance does not meet any standard for two consecutive quarters, the Company must submit a corrective action plan within 30 days of the end of the reporting quarter indicating how it will regain the failed standards.

45. Should consumer complaints to the Department concerning Holdco exceed a rate of 2.5 escalations per 1000 customers, Holdco must track and analyze consumer complaints in a manner that will enable their periodic analysis. ("Escalation" is a complaint to the Consumer Affairs and Public Information Division of the Department ("CAPI") in which, following investigation, CAPI staff determines reasonably there is something the Company could and should have done differently prior to the consumer having to contact the Department for assistance.) Specifically, the Company must work with the Department to develop a complaint-tracking protocol that defines what is considered a complaint to the Company and complaint categories to be tracked. The system should permit customer-service and sales representatives to capture written, telephonic, e-mail, and face-to-face complaints and to allow easy tabulation and analysis of those complaints by system and topic. If this provision is triggered, on an annual basis, the Company must submit a report to the Department and the Board indicating the number and nature of complaints received, how they were analyzed by the Company, what systemic issues were identified, and what responses were implemented to address those systemic issues. Measurement of the consumer-complaint rate to determine whether this provision is triggered shall be calculated on a calendar year basis. If this provision

5. All references to sections of 47 C.F.R. are intended to refer to those sections as they shall be amended from time to time.

is triggered, the requirements of this provision will continue for a period of the subsequent three years.

46. Holdco must respond to written inquiries from the Department regarding consumer complaints within 14 days commencing upon receipt by Holdco of the Department's written notification of a complaint. Written notification includes notification by electronic mail, facsimile, hand-delivery or U.S. mail. In any case in which the Company is unable to respond fully within seven days, by providing all information necessary to resolve the complaint, it must provide notice to the Department before the elapse of the initial 14 days that an extension of time is required. In no case may the total response time, including the initial 14 days and any extension, exceed 28 days. Although the initial transmittal of the complaint must be in writing, the Department and the Company are permitted to discuss the complaints in person or by telephone. In instances of an urgent matter as determined by the Department, such as imminent loss of service, Holdco shall provide, to the extent possible, expedited responses to the Department.

47. Holdco shall annually cause to be mailed to each of its subscribers a notice, in the form previously approved by the Board for Adelphia, that: (1) states that the Board and the Department desire to hear the views of subscribers regarding the quality of services provided by the Company and as to the reasonableness of the terms upon which such services are provided; (2) informs the subscribers how they may communicate their views to the Board, to the Department and to the Company; and (3) provides the notices required by Board Rule 8.431 and 47 C.F.R. § 76.1602(b)-(c).

48. On or before January 30 of each year, Holdco shall certify to the Board, under oath, that it has distributed the notice during the previous calendar year.

49. Holdco shall annually notify all subscribers of the complaint and appeal procedure for complaints against any PEG access entity and complaints against the Company itself.

50. If Holdco decides to raise rates more than once in any calendar year, Holdco shall include with its rate-change notice to the Board, and provide a copy to the Department of, a written explanation of the circumstances or other reasons that necessitate Holdco's need to increase its rates.

51. Holdco shall provide outage credit and/or refunds to customers without the necessity of the customer contacting Holdco in those instances in which Holdco knows an outage has occurred and has affected a particular system or portion of a system. Holdco's outage-credit policies and practices shall at all times be consistent with Board Rule 8.343.

52. Holdco shall treat all written complaints from subscribers in accordance with 47 C.F.R. § 76.1619(b) and Board Rule 8.345. Holdco shall not limit such responses to those complaints that cannot be resolved by a customer-service representative.

53. Holdco shall ensure that all customer notices are in plain English, at no greater than a sixth-grade reading level, and that type sizes and layouts are sufficient to render the notices readable to the average consumer. The Flesch-Kincaid Reading Level test, or equivalent instrument that may widely supersede it, shall be used to determine compliance with the grade-level requirement.

54. Holdco shall provide customers at the time of any service order with a clear and understandable description of the terms, conditions, rates, and charges for all requested services and appropriate alternatives, which shall include the least-cost alternatives to the requested service. The Company shall disclose, at a minimum, any non-recurring charges, such as for installation, the recurring charges for services, any charges that apply to a change in service or periods in which such charges are waived and information about equipment, policies and procedures.

55. Holdco shall list the toll-free telephone number of the Department of Public Service on its bills and in the "complaint procedures" section of its annual notices along with the following language: "You should first try to resolve any complaint or dispute directly with Holdco. If you remain unsatisfied by Holdco's response, you may request assistance from the Vermont Department of Public Service Consumer Hotline by calling 1-800-622-4496."

56. Holdco shall ensure that its "complaint procedure" and any other relevant sections of the annual notice provided to consumers in compliance with 47 C.F.R. § 76.102(b) identifies the "Vermont Public Service Board" as the local franchising authority for all Vermont systems. At no time shall Holdco represent to customers, either in writing or orally, that the municipalities are the local-franchising authorities in Vermont.

57. Holdco shall at all times ensure that its annual customer notice is specific and detailed with respect to Vermont policies and procedures and that all contents are consistent with the Company's Vermont tariff.

58. Holdco shall provide all customers at the time of installation with a clear, written notice complying with 47 C.F.R. § 76.1618 that the basic tier of service is available, its cost per month and a list of all services included in the basic tier.

59. Holdco shall ensure compliance with 47 C.F.R. § 76.309(c)(3), which requires that refund checks due to customers shall be issued no later than (a) the earlier of the next billing cycle following resolution of the request or 30 days, or (b) the return of equipment supplied by the operator if service is terminated.

Institutional Networks

60. Holdco, or its duly designated agent, shall develop and submit a proposal within the time provided in a request for proposal ("RFP"), or if no time is specified then within 90 days, in response to any qualified RFP issued by a state or local government agency, educational institution (accredited elementary schools, secondary schools, colleges and universities and libraries open to the general public) or educational or governmental access entity ("institutions") seeking an institutional network for voice, video or data within its franchised area. An RFP should permit a minimum of 90 days for response and shall be deemed qualified if it contains the following information: the specific locations to be linked (which may include interconnection points with other cable systems or telecommunications providers to be determined later); the desired transmission capacity or amount of dark optical fiber; and a description of the desired applications to be operated over the institutional network. Holdco, or its duly authorized agent, shall not be required to construct dedicated facilities for institutional networks, where facilities shared with other services and networks meet the requirements of the institutions. Fulfillment of an RFP involving dark fiber shall not require interconnection of that dark fiber with Holdco's hybrid fiber coaxial grid or with any of the Company's headends, nor shall the institution or the users have access to or rights in those headends. It is understood that Holdco will, at most, lease dark fiber but not sell it. It is understood that Holdco may decline to fulfill an RFP requiring

dark fiber if the necessary labor and/or material is unavailable or is not available on customary and satisfactory terms.

61. Holdco's obligation with respect to Paragraph 57 will be waived in the event, and only to the extent, that Holdco can not comply due to events beyond its control such as Force Majeure events as described in this paragraph. Holdco shall diligently perform its obligations under this subparagraph, but conditions may arise that prevent or delay its performance because of causes beyond Holdco's reasonable control including, without limiting the generality of the foregoing, flood, earthquake, hurricane, ice storm, blizzard, fire, explosion, war, riot, civil disturbance, labor disturbance, strike, sabotage, and restraint by court that, by exercise of due diligence and foresight, Holdco could not have been expected to avoid. If Holdco is rendered unable to fulfill any obligations by reason of such causes, it shall be excused from performing for the time and to the extent it is prevented or delayed from so doing, but shall exercise due diligence to correct such inability with all reasonable dispatch.

62. Holdco's, or its duly designated agent's, response to a qualified RFP shall include the terms and conditions, including but not limited to rates, tolls or charges, under which it would make available the institutional network to the requesting entity. Charges for institutional networks shall not exceed Holdco's, or its duly authorized agent's, fully-allocated costs, including a rate of return of 11.25%, to provide the network.

63. Holdco, or its duly designated agent, shall not charge institutions for construction or extension of facilities used for institutional networks that are required to meet other obligations under its Certificate or provide services to other customers, either directly or through an affiliate. Holdco, or its duly authorized agent, may charge institutions a proportional share of line extensions not otherwise required that will be used for institutional networks but may also be used to serve cable customers.

64. If Holdco submits a proposal in response to an RFP for an institutional network in accordance with Paragraph 57 above, and said proposal is accepted by the requesting entity, then Holdco shall be obligated to provide service on the terms of the RFP or pursuant to the contract with the entity.

65. Holdco, or its duly designated agent, shall respond 24 hours a day, 7 days per week to outages or degradation of service below contracted service for institutional networks. If a reported problem with an institutional network cannot be corrected immediately, Holdco staff, or its duly designated agent's staff, shall promptly explain the status to the institution in person or via phone and provide the approximate time in which the problem will be resolved. A Holdco representative, or its duly designated agent, will verify with the institution that services are working either in person or via telephone before the trouble call is closed out. Holdco, or its duly authorized agent, shall provide institutions to which it provides institutional networks with a local manager to whom the institution can escalate unresolved problems.

Miscellaneous

66. Subject to applicable law, including statutes governing or rules and regulations promulgated by the Federal Communications Commission, Holdco shall respond to and negotiate with any digital-broadcast service broadcasting in Vermont, including but not limited to any service that provides High Definition TV or Standard Definition TV multicast services, commercially-reasonable terms for the carriage of such services on Holdco's system. This condition requires Holdco to use its best efforts to reach agreement on such terms but does not require that Holdco reach agreement for such carriage.

67. Holdco shall upgrade the Newport system to 750 MHz bandwidth or more within four years of closing the acquisition unless it can demonstrate that the system is otherwise capable of offering Video on Demand service equivalent in scope and features to the service it offers elsewhere in Vermont and unless it offers to Newport subscribers at least three-fourths of the maximum number of High Definition channels Holdco then offers elsewhere in Vermont. Holdco shall report to the Board and Department the completion date of any such upgrade, or shall report within four years of closing the acquisition and each two years thereafter that Video on Demand and High Definition programming are offered in Newport at the levels required for deferral of the system upgrade.

68. Holdco shall provide each AMO and each school, public library, and municipality within its service area with a cable modem and Internet access at no charge. The Internet service provided to an AMO's base production facility shall be commercial-class service.

69. Holdco shall provide the Board, the Department, affected municipalities, and affected AMOs with complete descriptions of all rebuilds and upgrades at least 90 days prior to the commencement of construction, and in all cases sufficiently in advance to allow time for meaningful comments and possible integration of those comments into the construction project.

70. Holdco shall continue to provide FM radio rebroadcast service in all systems in which it was provided by Adelphia prior to acquisition. Holdco shall not discontinue FM rebroadcast service except on 45 days notice to the Board and Department.

71. Holdco shall provide a channel with a reasonable amount of Vermont-related programming on its Vermont systems.

72. At least annually, Holdco must report to the Board and the Department on services that are being provided to customers of Holdco systems in the New England region but that are not available to Vermont customers. If some services are available to one-half or more of Holdco's non-Vermont customers in the New England region that are not offered in Vermont, the Department may petition the Board to require Holdco to either justify the disparity or make those services available here.

73. Holdco shall discuss major changes in the delivery of customer service and other aspects of operations, such as installation and repair and system architecture, with the Board and Department prior to finalizing plans and in sufficient time for meaningful input from regulators. Holdco shall inform the Board and Department in writing of major changes in the delivery of customer service and other aspects of operations at least 30 days prior to implementation.

74. This Certificate shall not take effect until or unless Holdco acquires the assets of the Vermont affiliates of Adelphia Communications Corporation, as described in the Final Order in this Docket, pursuant to 30 V.S.A. §§ 109 and 232.

Dated at Montpelier, Vermont, this 29th day of December, 2005.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: December 29, 2005

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us)